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LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
Years Ended June 30, 2009 and 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/4/09

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3-4
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	5-6
STATEMENTS OF ACTIVITIES	7
STATEMENTS OF CASH FLOWS	8-9
NOTES TO FINANCIAL STATEMENTS	10-13
SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	15-17
SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS	18
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	19-20
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR HUD-ASSISTED PROGRAMS	21
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO FAIR HOUSING AND NON-DISCRIMINATION	22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	24
CERTIFICATION OF PROJECT OWNER	25
CERTIFICATION OF MANAGEMENT AGENT	26



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
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MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.

August 20, 2009

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the accompanying statements of financial position of Louisiana Disabled Persons Finance Corporation (a nonprofit organization), HUD Project No. 064-EH139/LA48-T841-013 as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibilities of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Disabled Persons Finance Corporation as of June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, we have also issued our report dated August 20, 2009, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and reports dated August 20, 2009, on its compliance with specific requirements applicable to major HUD programs and specific requirements applicable to fair housing and non-discrimination. The purpose of the reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Board of Directors
August 20, 2009
Page Two

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information required by the U.S. Department of Housing and Urban Development on pages 15 through 18 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Louisiana Disabled Persons Finance Corporation. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gragson, Casiday & Guillory

Federal Employer ID #72-0949580
Lead Auditor: Coy T. Vincent, CPA

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF FINANCIAL POSITION

June 30, 2009 and 2008

<u>HUD</u> <u>Account</u>		<u>2009</u>	<u>2008</u>
	ASSETS		
	CURRENT ASSETS		
1120	Cash	\$ 24,316	\$ 12,803
1130	Accounts receivable – tenants	1,507	1,035
1135	Accounts receivable – HUD	7,075	-
1200	Prepaid expenses	<u>796</u>	<u>730</u>
1100T	TOTAL CURRENT ASSETS	33,694	14,568
	RESTRICTED DEPOSITS AND FUNDED RESERVES		
1191	Tenant security deposits	2,983	2,374
1320	Reserve for replacements	12,137	11,959
1340	Residual reserve	<u>6,709</u>	<u>6,699</u>
		21,829	21,032
	PROPERTY AND EQUIPMENT		
1420	Buildings	530,689	530,689
1465	Fixed equipment	26,797	24,897
1440	Portable equipment	<u>19,977</u>	<u>19,977</u>
1400T		577,463	575,563
1495	Less accumulated depreciation	<u>384,448</u>	<u>366,173</u>
		193,015	209,390
1410	Land	<u>56,696</u>	<u>56,696</u>
1400N		<u>249,711</u>	<u>266,086</u>
1000T		<u>\$ 305,234</u>	<u>\$ 301,686</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS (DEFICIT)

HUD Account		<u>2009</u>	<u>2008</u>
	CURRENT LIABILITIES		
2170	Current portion of mortgage payable	\$ 8,788	\$ 8,257
2130	Accrued interest payable	3,040	3,083
2190-010	Due to affiliate	51,657	20,730
2115	Accounts payable – excess income due HUD	<u>-</u>	<u>218</u>
2122T	TOTAL CURRENT LIABILITIES	63,485	32,288
2191	TENANTS' SECURITY DEPOSITS	2,983	2,374
2320	MORTGAGE NOTE PAYABLE, less current portion	574,851	583,640
3131	NET ASSETS (DEFICIT)	<u>(336,085)</u>	<u>(316,616)</u>
2033T		<u>\$ 305,234</u>	<u>\$ 301,686</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2009 and 2008

HUD <u>Account</u>		<u>2009</u>	<u>2008</u>
	REVENUES		
5121	Housing assistance payments	\$ 40,741	\$ 41,078
5120	Rental	59,350	57,539
5990	Other	<u>1,001</u>	<u>1,157</u>
5000T	TOTAL REVENUES	101,092	99,774
	EXPENSES		
6263T	Administrative	5,324	6,930
6320	Management fees	4,767	4,618
6400T	Utilities	24,986	23,777
6500T	Operating and maintenance	15,910	11,054
6600	Depreciation	18,275	17,927
6700T	Insurance	14,582	17,399
6820	Interest	<u>36,717</u>	<u>37,218</u>
	TOTAL EXPENSES	<u>120,561</u>	<u>118,923</u>
5060N	CHANGE IN NET ASSETS	(19,469)	(19,149)
51100-050	NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>(316,616)</u>	<u>(297,467)</u>
3130	NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (336,085)</u>	<u>\$ (316,616)</u>

See accompanying notes to financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T84-013

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2009 and 2008

HUD Account		2009	2008
	CASH FLOWS FROM OPERATING ACTIVITIES		
S1200-010	Housing assistance payments	\$ 33,666	\$ 41,296
S1200-010	Rental	58,878	57,535
S1200-030	Other income	<u>1,001</u>	<u>1,157</u>
S1200-040		93,545	99,988
S1200-050	Administrative	5,324	6,930
S1200-070	Management fees	4,767	4,618
S1200-090	Utilities	24,986	23,433
S1200-110	Operating and maintenance	16,128	11,054
S1200-140	Insurance	14,648	17,903
S1200-180	Interest	<u>36,760</u>	<u>37,258</u>
S1200-230		<u>102,613</u>	<u>101,196</u>
	NET CASH FROM OPERATING		
S1200-240	ACTIVITIES	(9,068)	(1,208)
	CASH FLOWS FROM INVESTING ACTIVITIES		
S1200-250	Net Deposits to reserve for replacement and residual reserve accounts	(188)	(1,740)
S1200-330	Purchase of fixed assets	<u>(1,900)</u>	<u>-</u>
S1200-350	NET CASH FROM INVESTING ACTIVITIES	(2,088)	(1,740)
	CASH FLOWS FROM FINANCING ACTIVITIES		
S1200-360	Mortgage principal payments	(8,258)	(7,758)
S1200-370	Net proceeds on loan from affiliate	<u>30,927</u>	<u>13,400</u>
S1200-460	NET CASH FROM FINANCING ACTIVITIES	<u>22,669</u>	<u>5,642</u>
S1200-470	NET INCREASE (DECREASE) IN CASH	11,513	2,694
S1200-480	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,803</u>	<u>10,109</u>
S1200T	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 24,316</u>	<u>\$ 12,803</u>

Continued

See accompanying notes to financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

STATEMENTS OF CASH FLOWS - CONTINUED

Years Ended June 30, 2009 and 2008

<u>HUD</u> <u>Account</u>		<u>2009</u>	<u>2008</u>
	CASH FLOWS FROM OPERATING ACTIVITIES		
3250	Decrease in net assets	\$ (19,469)	\$ (19,149)
	Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities		
6600	Depreciation and amortization	18,275	17,927
	Changes in assets and liabilities:		
S1200-500	(Increase) decrease in accounts receivable	(7,547)	(4)
S1200-510	Increase (decrease) in accounts payable	(218)	218
S1200-520	(Increase) decrease in prepaid expenses	(66)	(160)
S1200-570	Increase (decrease) in accrued interest	(43)	(40)
S1200-610	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (9,068)</u>	<u>\$ (1,208)</u>

See accompanying notes to financial statements.

GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Louisiana Disabled Persons Finance Corporation (the Corporation) is presented to assist in understanding the Corporation's financial statements. The financial statements and notes are representations of the Corporation's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

1. Organization

Louisiana Disabled Persons Finance Corporation was organized as a nonprofit organization formed to acquire and operate a Section 8 apartment project with twenty units, located in Lake Charles, Louisiana, under the provisions of Section 221(d)(4) of the National Housing Act. The Corporation acquired the apartment project on July 1, 1989 and rents apartments to mentally and physically-handicapped individuals in Southwest Louisiana. A portion of the tenants' rents are subsidized by the U.S. Department of Housing and Urban Development (HUD).

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Financial Statement Presentation

The Corporation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Corporation is required to report information regarding the nature and amount of its net assets. The Corporation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present net assets. None of the Corporation's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets under SFAS No. 117.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4. Depreciation

Property and equipment is stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of assets to operations over the following estimated useful lives on the straight-line method.

	<u>Years</u>
Building	5-30
Fixed equipment	15
Portable equipment	5

The property and equipment of the Organization may not be disposed of without the prior approval of HUD.

5. Income Taxes

The Corporation is a nonprofit organization generally not subject to income taxes according to the provisions of Federal Internal Revenue Code Section 501(c)3 and Louisiana State income tax laws and regulations and, in accordance with an Internal Revenue Service determination letter dated December 13, 1999, is not a private foundation as defined in Federal Internal Revenue Code Section 509(a)(i).

6. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less.

7. Accounts Receivable

Uncollectible amounts due for receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible. The allowance for bad debts at June 30, 2009 is \$0.

8. Reserve for Replacements

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must make monthly deposits of \$171.75 into the reserve fund. The funds may only be used after approval is obtained from HUD.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9. Residual Reserve

The Corporation is required by HUD to establish a separate reserve fund in a federally insured depository. The Corporation must deposit the annual residual receipts (surplus cash) into the residual reserve fund. The funds may only be used after approval is obtained from HUD.

NOTE B - MORTGAGE NOTE PAYABLE

Calcasieu Association for Retarded Citizens, Inc. (CARC):
First Mortgage note; secured by a mortgage lien,
payable in monthly installments of principle and interest
of \$3,751 (interest at 6.25% per annum), maturity at February 2036.

\$ 583,639

Less current maturities

8,788

\$ 574,851

The following are maturities of long-term debt for each of the next five years:

June 30, 2010	\$ 8,788
June 30, 2011	9,354
June 30, 2012	9,955
June 30, 2013	10,596
June 30, 2014	11,277

In February of 2006, Louisiana Disabled Persons Finance Corporation paid the entire loan balance to U.S. Department of Housing and Urban Development. The funding to pay the loan balance was derived from Calcasieu Association for Retarded Citizens (CARC). Interest rate on CARC's thirty year mortgage is to be fixed for five years at 6.25% and terms are to be reviewed at five years (February 2011). The Corporation has signed a use agreement with HUD to abide by HUD regulations, as they apply to this project, and the continued Section 8 contract.

NOTE C - COMMITMENTS AND CONTINGENCIES

Louisiana Disabled Persons Finance Corporation receives a substantial amount of its support from the U.S. Department of Housing and Urban Development. A significant reduction in the level of this support, if this were to occur, may have a material effect on the Corporation's programs and activities.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENTAL PROJECT NUMBER 064-EH139/LA48-T841-013

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE D - RELATED PARTY TRANSACTIONS

The Corporation shares a common Board of Directors with Calcasieu Association for Retarded Citizens, Inc. (CARC). Any change in the relationship of these organizations could result in changes in financial position significantly different from that reported in these financial statements.

Included in the financial statements for June 30, 2009 and 2008 is a liability to CARC of \$51,657 and \$20,730, respectively, representing amounts advanced by CARC for operations in previous years and expenses which have been paid by CARC but were not yet reimbursed as of the date of the balance sheets. These amounts are due on demand by CARC.

See Note B for long term debt payable to CARC.

CARC acts as the Corporation's management agent and, as such, provides a substantial amount of support to the Corporation for a management fee based on 5% of the Corporation's residential income from the apartment complex. For the years ended June 30, 2009 and 2008, CARC's management fees were \$4,767 and \$4,618, respectively.

NOTE E - CONCENTRATIONS

The Corporation's operations are concentrated in the real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE F - RENT INCREASES

Under the regulatory agreement, the Corporation may not increase rents charged to tenants without HUD approval.

**SUPPLEMENTARY INFORMATION REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT**

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2009

Accounts and notes receivable (other than from regular tenants):

None

Delinquent tenant accounts receivable:

Delinquent 30 days \$ 1,464

Mortgage escrow deposits:

None

Tenants' security deposits:

Tenants' security deposits are held in a separate bank account in the name of the project by First Federal Bank, Lake Charles, Louisiana. At June 30, 2009, the account consisted of \$2,983 in cash. Interest earned on the account does not inure to the tenants.

Reserve for replacements:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by First Federal Bank to be used for replacement of property with the approval of HUD. The account activity for the year is as follows:

HUD		
<u>Account</u>		
1320P	Balance, June 30, 2008	\$ 11,959
1320DT	Deposits	2,061
1320INT	Interest earned	17
1320WT	Disbursements	<u>(1,900)</u>
1320	Balance, June 30, 2009	<u>\$ 12,137</u>

Continued

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2009

Residual receipts reserve:

In accordance with the provision of the Regulatory Agreement, restricted cash is held by First Federal Bank. The use of the residual receipts reserve account is contingent upon HUD's prior written approval. The account activity for the year is as follows:

HUD		
<u>Account</u>		
1340P	Balance, June 30, 2008	\$ 6,699
1340DT	Deposits	-
1340INT	Interest earned	10
1340WT	Disbursements	-
1340	Balance, June 30, 2009	<u>\$ 6,709</u>

Accounts payable (other than trade creditors):

None

Management fees payable:

None

Accrued taxes:

None

Loans (other the insured mortgages) and notes payable:

None

Comments on statement of position:

None

Compensation of officers:

There was no compensation of officers for the year ended June 30, 2009.

Identity-of-interest companies:

None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SUPPORTING DATA REQUIRED BY THE U.S. DEPARTMENT
OF HOUSING AND URBAN DEVELOPMENT

Year Ended June 30, 2009

Donations, Subsidy Payments and Founder's Fees:

Amounts received during the year ended June 30, 2009 are as follows:

Section 8 rent subsidy	<u>\$ 40,741</u>
------------------------	------------------

Changes in ownership interests:

Not applicable

Distributions paid to the owners:

Not applicable

Unauthorized distributions paid to the owners:

Not applicable

Computation of surplus cash, distributions, and residual receipts - annual

HUD		
<u>Account</u>		
S1300-010	Cash	\$ 27,299
1135	Accounts receivable – HUD	<u>7,075</u>
		34,374
Current Obligations:		
S1300-050	Accrued mortgage interest payable	3,040
S1300-080	Loans and notes payable due within 30 days	52,368
2191	Tenant security deposits	<u>2,983</u>
	Total Current Obligations	<u>58,391</u>
S1300-150	Surplus Cash (Deficiency)	<u>\$ (24,017)</u>

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF CHANGES IN FIXED ASSET ACCOUNTS

Year Ended June 30, 2009

HUD Account	Fixed Assets	Assets			Balance June 30, 2009
		Balance June 30, 2008	Additions	Transfers Retirements	
1420	Buildings	\$ 530,689	\$ -	\$ -	\$ 530,689
1465	Fixed equipment	24,897	1,900	-	26,797
1440	Portable equipment	<u>19,977</u>	<u>-</u>	<u>-</u>	<u>19,977</u>
	TOTAL DEPRECIABLE PROPERTY	575,563	1,900	-	577,463
1410	Land	<u>56,696</u>	<u>-</u>	<u>-</u>	<u>56,696</u>
1400T	Total fixed assets	<u>\$ 632,259</u>	<u>\$ 1,900</u>	<u>\$ -</u>	634,159
1495	Accumulated depreciation	<u>\$ 366,173</u>	<u>\$ 18,275</u>	<u>\$ -</u>	<u>384,448</u>
1400N	Net fixed assets				<u>\$ 249,711</u>



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

August 20, 2009

The Board of Directors
Louisiana Disabled Persons
Finance Corporation
Lake Charles, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation, HUD Project No. 064-EH139/LA48-T841-013 as of and for the year ended June 30, 2009, and have issued our report dated August 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Louisiana Disabled Person Finance Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Corporation's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Corporation's financial statements that is more than inconsequential will not be prevented or detected by the Corporation's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Corporation's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Louisiana Disabled Persons Finance Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance and other matters with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management, board of directors and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Gragson, Casiday & Guillory



GRAGSON, CASIDAY & GUILLORY, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.
RICHARD W. CASIDAY, C.P.A.
RAYMOND GUILLORY, JR., C.P.A.
GRAHAM A. PORTUS, E.A.
COY T. VINCENT, C.P.A.
MICHELLE LEE, C.P.A.
BRADLEY J. CASIDAY, C.P.A., C.V.A.
JULIA W. PORTUS, C.P.A.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR HUD-ASSISTED PROGRAMS**

August 20, 2009

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

HUD Field Office
New Orleans, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation HUD Project No. 064-EH139/LA48-T841-013 as of and for the year ended June 30, 2009 and have issued our report thereon dated August 20, 2009.

We have also audited the Corporation's compliance with the specific program requirements governing the replacement reserve, tenant security deposits, cash receipts, cash distributions, tenant application, eligibility and recertification, and management functions that are applicable to its major HUD-assisted program, for the year ended June 30, 2009. The management of the Corporation is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the Consolidated Audit Guide for Audits of HUD Programs (the "Guide"), issued by the U.S. Department of Housing and Urban Development, Office of Inspector General. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Louisiana Disabled Persons Finance Corporation complied, in all material respects, with the requirements described above that are applicable to each of its major HUD-assisted programs for the year ended June 30, 2009.

This report is intended solely for the information and use of the board of directors, management, and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

Gragson, Casiday & Guillory



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO FAIR HOUSING AND NON-DISCRIMINATION

August 20, 2009

The Board of Directors
Louisiana Disabled Persons Finance Corporation
Lake Charles, Louisiana

HUD Field Office
New Orleans, Louisiana

We have audited the financial statements of Louisiana Disabled Persons Finance Corporation HUD Project No. 064-EH139/LA48-T841-013 as of and for the year ended June 30, 2009 and have issued our report thereon dated August 20, 2009.

We have also applied procedures to test the Corporation's compliance with the Fair Housing and Non-Discrimination requirements applicable to its HUD-assisted programs for the year ended June 30, 2009.

Our procedures were limited to the applicable compliance requirement described in the Consolidated Audit Guide for Audits of HUD Programs (the "Guide"), issued by the U.S. Department of Housing and Urban Development, Office of Inspector General. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on the Corporation's compliance with the Fair Housing and Non-Discrimination requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under the Guide.

This report is intended solely for the information and use of the board of directors, management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

Gragson, Casiday & Guillory

LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Louisiana Disabled Persons Finance Corporation.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of control deficiencies were identified during the audit of the financial statements.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditors' report on compliance for the major federal award programs for Louisiana Disabled Persons Finance Corporation expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Louisiana Disabled Persons Finance Corporation.

II. Findings Relating To The Financial Statements Which Are Required To Be Reported In Accordance With Generally Accepted Governmental Auditing Standards

- None

III – Federal Award Findings and Questioned Costs

- None

IV – Prior Year Audit Findings

- None

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2009

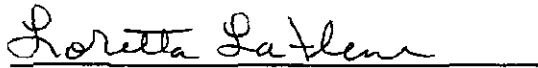
There were no prior year findings.

LOUISIANA DISABLED PERSONS FINANCE CORPORATION
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

CERTIFICATION OF PROJECT OWNER

Year Ended June 30, 2009

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation, and to the best of our knowledge and belief, the same is complete and accurate.



Loretta LaFleur
Finance Director



Howard Stroud, Jr., Ed.D.
Executive Director
Corporation EIN 72-0979554

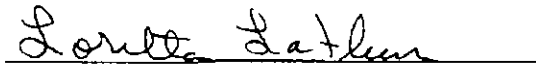
LOUISIANA DISABLED PERSONS FINANCE CORPORATION

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROJECT NUMBER 064-EH139/LA48-T841-013

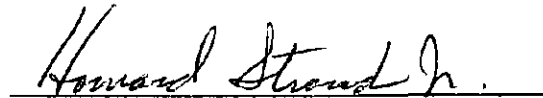
CERTIFICATION OF MANAGEMENT AGENT

Year Ended June 30, 2009

We hereby certify that we have examined the accompanying financial statements and supplemental data of Louisiana Disabled Persons Finance Corporation and to the best of our knowledge and belief, the same is complete and accurate.



Loretta LaFleur
Finance Director
Calcasieu Association for
Retarded Citizens, Inc.
72-0946698



Howard Stroud, Jr., Ed.D.
Executive Director
Calcasieu Association for
Retarded Citizens, Inc.
72-0946698